



DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 1291

[Doc. No. AMS-TM-20-0098]

Administering the Specialty Crop Block Grant Program

AGENCY: Agricultural Marketing Service, U.S. Department of Agriculture.

ACTION: Final rule.

SUMMARY: This final rule removes the regulations pertaining to the Specialty Crop Block Grant Program (SCBGP). The regulations, which were established in 2006 as a matter of U.S. Department of Agriculture (USDA) policy, are duplicative of and in conflict with the recent revisions to the Office of Management and Budget's (OMB) Office of Federal Financial Management's Guidance for Grants and Agreements. Consequently, the SCBGP-specific regulations are no longer needed. The Agricultural Marketing Service (AMS) is removing the obsolete regulations in order to align its grant programs with OMB requirements and implement the programs efficiently. AMS will continue to administer SCBGP according to the OMB regulations.

DATES: This rule is effective on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Nicole Nelson Miller, Grants Division Director, or Carly Borgmeier, Specialty Crop Block Grant Program Team Lead, Grants Division, AMS, USDA; Telephone: (202) 720-0188, or Email: *Nicole.NelsonMiller@usda.gov* or *CarlyM.Borgmeier@usda.gov*.

SUPPLEMENTARY INFORMATION: This final rule removes the regulations to implement the SCBGP at 7 CFR part 1291. This action conforms with recent amendments to OMB's regulations on Grants and Agreements related to reporting, oversight, and audit requirements. AMS will continue to administer Specialty Crop Block Grants according to the revised provisions of 2 CFR part 200, which became effective November 12, 2020 (85 FR 49506; August 13, 2020).

Background

Ten grant programs are currently implemented for USDA under AMS's Transportation and Marketing Program. Eight of these grant programs are competitively bid, and two are non-competitively awarded to State agencies. The SCBGP is a non-competitive grant program mandated under section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note), and amended under section 10107 of the 2018 Farm Bill, to make grants to States to be used by State departments of agriculture to enhance the competitiveness of specialty crops. The SCBGP defines specialty crops as "Fruits and vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture)."

AMS Grant Programs, which include the SCBGP, are authorized pursuant to the Agricultural Marketing Act of 1946 (AMA) (7 U.S.C. 1621, *et. seq.*) and the Farmer-to-Consumer Direct Marketing Act of 1976 (FCDMA) (7 U.S.C. 3001), and are implemented through the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Super Circular) (2 CFR part 200). Although not required to do so under the provisions of the APA, AMS established separate regulations pertaining to the SCBGP in 2006 (71 FR 53303; September 11, 2006) through notice and comment rulemaking as a matter of USDA policy. USDA revoked its policy concerning rulemaking for grant programs in 2013 (78 FR 64194; October 28, 2013). As well, OMB's revisions to 2 CFR part 200 changed requirements for Federal awards to non-Federal entities.

The regulations at 7 CFR part 1291 are duplicative of and in conflict with the updated guidance at 2 CFR part 200. Therefore, AMS is removing 7 CFR part 1291 to better align its programs with OMB's Guidance for Grants and Agreements and improve efficiency in the management of the SCBGP.

This action pertains to the making of Federal grants to enhance the competitiveness of specialty crops. The Administrative Procedures Act (APA), 5 U.S.C. 553, authorizes USDA to take actions related to grants management without notice and comment rulemaking. Further, such actions may be made effective in fewer than 30 days after publication in the **Federal Register**. Therefore, this final rule is effective upon publication.

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. This action falls within a category of regulatory actions that OMB exempted from Executive Order 12866 review.

As required by the Regulatory Flexibility Act (5 U.S.C. 601-612), AMS certifies that this final rule does not have a significant economic impact on small business entities. Neither grant recipients nor subrecipients will be impacted by this final rule.

This final rule does not contain any information collection requirements subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501, *et seq.*).

List of Subjects in 7 CFR Part 1291

Agriculture, Foods, Fruits, Grant programs-agriculture, Reporting and record keeping requirements, Specialty crop block grants, State and local governments, Vegetables.

PART 1291--[Removed]

For the reasons stated in the preamble, and under the authority of 7 U.S.C. 1621 note, as amended, remove 7 CFR part 1291.

Erin Morris, Associate Administrator,
Agricultural Marketing Service.